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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

COUNTRY

Hungary/Austria/Rumania

SUBJECT

DATE (

Soviet Zistersdorf - Pet Pipe Line Project/Rumored Reasons for Suspension

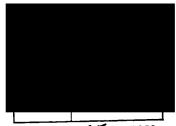
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SOURCE

- 2. "In December 1951 the Soviets ordered the construction of a pipe line to link up the Soviet-administered Austrian oil fields at Zistersdorf with the Hungarian refinery at Pet. This pipe line would pass through Bratislava, Ligetfalu, Sarvar, Papa and Varoslod. At Pet it would join the Lispe-Budapest pipe line, and the Almasfüzitö line. This line is already in operation.
- 3. "The capacity planned for the Zistersdorf-Vet pipe line was 51 'tons' per hour about 400,000 'tons' per year, pipe line reparations included. All oil produced in the Soviet Zone of Austria coul. Se transported to Hungarian refineries.
- 4. Groundwork for the pipe line project on Hungarian territory was finished by 1 November 52. A special 'transportation' station was set up south of Papa. Most of the pipes for the line had been brought to the excavations and were ready for installation. These pipes, 1200 mm size, had been produced by the Matyns Rekosi plant and the Beloianis Banyaszerkezetek Gyara plant in Budapest.
- 5. In November 1952 all work on the pipe line was suddenly helted. The stockpile pipes were collected and carried away. It was rumored that these pipes had been collected for shipment to Rumania to meet the urgent demand there for pipe lines for the development of Rumanian oil production. Rumors in top Hungarian offices said also that the Austrian Communist Party had protented that overt exploitation of Austrian oil reserves for the benefit of a foreign country might ruin the CP's chances in the spring 1953 parliementary elections.
- 6. "Although the completed parts of the pipe line project are being ruined by atmospheric exposure, I am convinced that the project has not been given up -- just suspended until a more politic moment. The Soviets have little confidence that the Austrian oil refineries could be protected in any hostilities; they are too exposed to air attack. The refineries in Hungary appear more secure."

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